

04-569

EMBASSY OF THE
UNITED STATES OF AMERICA

February 16, 1996

Excellency:

I have the honor to refer to discussions between representatives of our two Governments in Beijing on December 19-23, 1995 concerning the Agreement between the Government of the United States of America and the Government of the People's Republic of China Relating to Civil Air Transport, signed at Washington on September 17, 1980, as amended ("the Agreement"). As a result of those discussions, I have the honor to propose that the Agreement be further amended as described below:

His Excellency

Qian Qichen,

Minister of Foreign Affairs of

The People's Republic of China.

"1. DESIGNATIONS

Absent the designation of an all-cargo airline on route 3, of Annex 1 of the Agreement, China shall be permitted, with immediate effect, to designate another combination airline to operate services either on route 1 or route 2 to be chosen at the discretion of the Chinese side or another route to be mutually agreed by the parties.

2. CODE SHARING

Article 11, Paragraph 5 of the Agreement shall be amended by redesignating the existing paragraph as Paragraph 5, Sub-paragraph 1, and adding the following Sub-paragraphs 2 and 3:

2. In addition to the rights available to the designated airlines of both parties pursuant to Sub-paragraph 1 above, U.S. and Chinese airlines shall have the following rights:

(A) Effective immediately, designated Chinese airlines may code share with any U.S. airline between the gateway points named in the Chinese routes 1 and 2 of Annex 1 and a total of ten additional points in the U.S. to be selected by the Government of China, as well as between those gateway points.

(B) Effective immediately, any designated Chinese airline may code share with any U.S. airline between points in the territories of the two parties named in the route description for which the U.S. or Chinese airline has been designated.

(C) Effective three years after any code share service is inaugurated under Paragraph (A) above, U.S. airlines may code share with any designated Chinese airline between the gateway points named in U.S. routes 1 and 2 of Annex 1, and a total of six additional points in China to be selected by the Government of the United States, as well as between those gateway points.

3. All airlines operating or holding out the above-described services must (A) hold the appropriate authority and (B) meet the requirements normally applied to such arrangements. However, airlines may offer code share services authorized in Sub-paragraph 2 above, notwithstanding the requirement that all airlines in code share arrangements hold underlying route rights.

3. CAPACITY

Without prejudice to the parties' respective rights and obligations under the Agreement, the parties have agreed to the following arrangements with respect to the seven weekly frequencies authorized as of January 1, 1995 for the airlines of the United States pursuant to Section 1(C) of Annex V of the Agreement:

(A) Effective immediately, the U.S. airline designated to provide service on route 3 of Annex 1 of the Agreement may commence operation of two of the weekly frequencies authorized pursuant to Section 1(C) of Annex V of the Agreement in addition to the two frequencies already authorized on route 3. Until January 1, 1998, these frequencies when operated on the Japan-China route segment will be operated on a blind sector basis only; thereafter said frequencies may be operated with local traffic rights.

(B) Effective April 1, 1996, the U.S. airline(s) designated to provide services on routes 1 or 2 of Annex I of the Agreement intend to commence operation of three of the weekly frequencies authorized pursuant to Section 1(C) of Annex V of the Agreement, however, such frequencies will be operated on a non-stop basis until July 1, 1998.

(C) Effective January 1, 1998, the U.S. airline(s) designated to provide services on routes 1 or 2 of Annex I of the Agreement intend to commence operation of the two remaining frequencies authorized pursuant to section 1(C) of Annex V of the Agreement, however, such frequencies will be operated on a non-stop basis until at least January 1, 1999.

4. ROUTE ENHANCEMENTS

(A) Traffic rights at Anchorage and Fairbanks: routes 1 and 2 of Annex I of the Agreement shall be amended to include full traffic rights at Anchorage and Fairbanks.

(B) Technical stops: routes 1 and 2 of Annex I of the Agreement shall be amended to add Seattle as a technical stop on route 1 and Portland as a technical stop on routes 1 and 2.

(C) Addition of one unspecified point on routes 1 and 2:

(1) The People's Republic of China shall have the right to name one additional point in the United States on routes 1 and 2 of Annex 1 of the Agreement for each airline designated on the route.

(2) The United States shall have the right to name one additional point in the United States on routes 1 and 2 of Annex 1 of the Agreement."

If these proposals are acceptable to your Excellency's Government, I have the honor further to propose that this note and your Excellency's note in reply shall constitute an Agreement between our two Governments, which shall enter into force on the date of your Excellency's note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.



Ernest R. Esser

**U.S. Department of State
Office of Language Services
Translating Division**

**LS No. 09-2004-0470
Chinese
MR/TT**

**Beijing
March 27, 1996**

**His Excellency
James R. Sasser
United States Ambassador to the People's Republic of China**

Excellency:

I respectfully received your note dated February 16, 1996, which consisted of the following:

I respectfully refer to discussions between representatives of our two governments in Beijing on December 19-23, 1995 concerning the Agreement between the Government of the United States of America and the Government of the People's Republic of China Relating to Civil Air Transport, signed at Washington on September 17, 1980, as amended ("the Agreement"). As a result of those discussions, I respectfully propose that the agreement be further amended as described below:

"1. DESIGNATIONS

Absent the designation of an all-cargo airline on route 3, of Annex I of the Agreement, China shall be permitted, with immediate effect, to designate another airline to operate combination flights either on route 1 or route 2 to be chosen at the discretion of the Chinese side or to operate on another route to be mutually agreed upon by the parties.

2. CODE SHARING

Article 11, Paragraph 5 of the Agreement shall be amended by redesignating the existing paragraph as Paragraph 5, Sub-paragraph 1, and adding the following Sub-paragraphs 2 and 3:

(2.) In Addition to the rights provided to the designated airlines of both parties pursuant to Sub-paragraph 1 above, U.S. and Chinese airlines shall have the following rights:

- (A) Effective immediately, airlines designated by the Chinese side may code share with any U.S. airline between the gateway points named in the Chinese routes 1 and 2 of Annex I and a total of ten additional points in the U.S. to be selected by the Government of China, as well as between the aforementioned gateway points.
- (B) Effective immediately, any designated Chinese airline may code share with any U.S. airline between points in the territories of the two parties, which points are named in the lists of the routes over which the U.S. or Chinese airline has been designated to operate.
- (C) Effective three years after any code share service is inaugurated according to Paragraph (A) above, U.S. airlines may code share with any designated Chinese airline between the gateway points named in U.S. routes 1 and 2 of Annex I, and a total of six additional points in China to be selected by the Government of the United States, as well as between the aforementioned gateway points.

3. Any airline operating or maintaining the above-described services must (A) hold the appropriate authority and (B) meet the requirements normally applied to such arrangements. However, airlines may offer code share services authorized in Sub-paragraph 2 above, notwithstanding the requirement that all airlines in code share arrangements acquire these route rights in advance.

3. CAPACITY

Without prejudice to the parties' respective rights and obligations specified in the Agreement, the two parties have agreed to the following arrangements with respect to the seven weekly frequencies authorized as of January 1, 1995 for the airlines of the United States pursuant to Section 1(C) of Annex V of the Agreement:

- (A) Effective immediately, the U.S. airlines designated to provide service on route 3 of Annex I of the Agreement may commence operation of two of the weekly frequencies authorized pursuant to Section 1(C) of Annex V of the Agreement in addition to the two frequencies already authorized on route 3. Until January 1, 1998, these frequencies when operated on the China-Japan route segment will be operated on a blind

sector basis only; thereafter the said frequencies may be operated with local traffic rights.

(B) Effective April 1, 1996, the U.S. airline(s) designated to provide services on routes 1 or 2 of Annex I of the Agreement intend to commence operation of three of the weekly frequencies authorized pursuant to Section 1(C) of Annex V of the Agreement, however, such frequencies will be operated on a non-stop basis until July 1, 1998.

(C) Effective January 1, 1998, the U.S. airline(s) designated to provide services on routes 1 or 2 of Annex I of the Agreement intend to commence operation of the two remaining weekly frequencies authorized pursuant to Section 1(C) of Annex V of the Agreement, however, such frequencies will be operated on a non-stop basis until at least January 1, 1999.

4. ROUTE ENHANCEMENTS

(A) Traffic rights at Anchorage and Fairbanks: routes 1 and 2 of Annex I of the Agreement shall be amended to include full traffic rights at Anchorage and Fairbanks.

(B) Technical stops: routes 1 and 2 of Annex I of the Agreement shall be amended to add Seattle as a technical stop on route 1 and Portland as a technical stop on routes 1 and 2.

(C) Addition of one unspecified point on routes 1 and 2:

(1) The People's Republic of China shall have the right to name one additional point in the United States for each designated airline operating on routes 1 and 2.

(2) The United States shall have the right to name one additional point in the United States on route 1 and one additional point on route 2."

If these proposals are acceptable to your Excellency's Government, I have the honor further to propose that this note and your Excellency's note in reply shall constitute an Agreement between our two Governments, which shall enter into force on the date of your Excellency's note in reply.

I respectfully represent the Government of the People's Republic of China in affirming that we agree with the contents of your Excellency's note. I also affirm that your Excellency's note and my note in reply shall constitute an Agreement between our two governments, which shall enter into force on the date of this reply note.

With my highest consideration,

Qian Qichen
Minister of Foreign Affairs
People's Republic of China

CERTIFICATION OF TRANSLATION

I hereby certify that the above translation bearing LS No. 09-2004-0470 prepared by the Office of Language Services of the Department of State and that it is a correct translation to the best of my knowledge and belief.

Dated:

Oct. 6, 2004



Chief, Translating Division